

THE RIADY FAMILY AND JOHN HUANG: ACCESS AND INFLUENCE WITH THE CLINTON WHITE HOUSE

INTRODUCTION

John Huang is the first individual to be associated with campaign finance improprieties in the 1996 elections. The scandal was brought to the public's attention in a September 1996 *Los Angeles Times* article detailing the first known illegal contribution to the DNC, and naming John Huang as the fundraiser involved.¹ Soon thereafter, other questionable DNC contributions came to light, also related to Huang.² As more information on possible illegal or inappropriate contributions to the DNC was reported, the media reviewed Huang's background and found ties to the Riady family of Indonesia and President Clinton.³

The Riadys are foreign nationals residing in Indonesia, nevertheless, they were active participants in the 1992 and 1996 campaigns of President Clinton. The family's facilitator for contributions as well as political matters was John Huang, a former senior executive with the Lippo Group. The Riadys had access to the highest levels of the U.S. Government, including the President and his Cabinet. James and Aileen Riady, well known to the President, DNC and White House staff as foreign nationals, attended many exclusive DNC fundraisers which usually required contributions for attendance.

During the 1996 elections Huang was a fundraiser for the DNC, after leaving his position at Commerce in late 1995. Huang had been active in the 1992 campaign, raising money for then-Governor Clinton, as well as the DNC. The Committee found that Huang was responsible for nearly half of the money which has been returned to date by the DNC. Even after Huang organized events which were widely attended by foreign nationals, including the Riadys, the DNC did not carefully review the contributions attributed to Huang. It is incomprehensible that nobody at the DNC or White House raised concerns about the fundraising activities occurring at the DNC in the 1996 election cycle.

¹ The report detailed a \$250,000 contribution from a subsidiary of a South Korean company, Cheong Am America Inc. The DNC acknowledged that it did not return the contribution until the Los Angeles Times raised questions about its propriety. Allan C. Miller, *Democrats Return Illegal Contribution*, L.A. Times, Sept. 21, 1996, at A16.

² See William Safire, *The Asian Connection*, N.Y. Times, Oct. 7, 1996, at A2 (detailing \$425,000 contribution from Arief and Soraya Wiriadinata); Glenn R. Simpson & Jill Abramson, *Legal Loopholes Let Overseas Contributors Fill Democrats' Coffers*, Wall St. J., Oct. 8, 1996, at A1 (outlining contributions from Lippo Group employees and entities and a contribution from Keshi Zhan).

³ William Safire was the first to link DNC fundraiser John Huang with the Riady family of Indonesia. Safire also disclosed contributions to entities related to Bill Clinton from the Riady family of Indonesia during the 1992 Presidential campaign, as well as a \$425,000 contribution from an Indonesian couple with ties to the Lippo Group. William Safire, *The Asian Connection*, N.Y. Times, Oct. 7, 1996, at A2.

I. FROM INDONESIA TO ARKANSAS: RIADY AND HUANG'S EARLY CONNECTIONS

The relationship between John Huang, the Riady Family and President Clinton, goes back to the late 1970's in Little Rock, Arkansas.⁴ The patriarch of the Riady family, Mochtar Riady, is an Indonesian of Chinese descent who built up the Lippo Group empire in Asia.⁵ The Lippo Group's core business is banking and allied financial services within the Asia Pacific region, and also includes a property development arm.⁶ In the mid-1970s, Mochtar Riady planned to expand his business enterprises into the United States and began looking for partners. He soon met the Stephens family of Arkansas and subsequently entered into various joint ventures with Stephens Inc.⁷

It was through the Lippo-Stephens partnership that a young James Riady came to intern at Stephens' off-Wall Street investment bank in Little Rock, Arkansas. Subsequently, James Riady came back to the United States to assist with Lippo and Stephens' new joint venture, Worthen Banking Corporation. By 1983 Riady and Stephens both had invested in the Worthen Bank in Little Rock, Arkansas.⁸ James Riady ultimately moved to Little Rock to establish Worthen Bank's international trade division.⁹ Following James Riady was John Huang, who had been working for the Riady family in Hong Kong.¹⁰

⁴ Id.; Peter Waldman, *By Courting Clinton, Lippo Gains Stature at Home in Indonesia*, Wall St. J., Oct. 16, 1996 at A1; Seth Mydans, *Family Tied to Democratic Party Funds Built an Indonesian Empire*, N.Y. Times, Oct. 20, 1996 at A10; Howard Fineman & Mark Hosenball, *The Asian Connection*, Newsweek, Oct. 28, 1996 at 24.

⁵ See Hip Hing Holdings Document Production 4624-4641, at 4625 (Forbes Magazine, Chinese language edition translated, *Mochtar Riady Swimming with the Current*, Oct. 1993) (hereinafter HHH 4624).

⁶ Lippo owns 70% of Hong Kong China Ltd., a property investment and development firm with \$1.2 billion in assets. Lippo also owns 59% of Hong Kong Chinese Bank, Ltd, a banking and finance firm with \$2.3 billion in assets. In addition to these holdings, Lippo has extensive investments in the United States, China, Indonesia, Hong Kong, Vietnam, and Malaysia. Indonesian Enterprise, *The Non Aligned Movement Toward the Next Millennium*, Publication Secretariat for the Non Aligned Movement, 1995, Vol. 3 at 261-274; *Lippo, a Player in Asia, Seeks U.S. Empire*, Washington Times, October 24, 1996.

⁷ Mochtar Riady first met Jackson and Witt Stephens in 1976. At the time, Riady was looking into buying Bert Lance's share of the National Bank of Georgia. Although that deal fell through, Riady and the Stephens brothers formed a friendship and in 1978 established Stephens Finance Ltd. in Hong Kong. There were several other joint projects before Lippo and Stephens acquired a substantial stake in Worthen Bank of Arkansas in 1983. See Deposition of James T. Riady, *Stephens Group, Inc. v. U.S.* (Cl. Ct. No. 91-1458T) March 5, 1993 at 26-28; Deposition of C. Joseph Giroir, Senate Committee on Governmental Affairs Special Investigation, April 30, 1997 at 32-35 (hereinafter "Giroir Senate Deposition"); HHH 4624, 4631.

⁸ Giroir Senate Deposition at 32-35.

⁹ According to Joe Giroir's testimony, Lippo's strategy in investing in Worthen was to expand into the international arena. They also established "Edge Act" offices, authorized to engage in international transactions - but not take deposits, in New York and Los Angeles. Giroir Senate Deposition at 38-39.

¹⁰ Huang was the Vice President for the Far East Area at Worthen. Prior to his position at Worthen, Huang was Executive Vice President under James Riady at Stephens Finance Ltd. in Hong Kong. See Giroir Senate Deposition at 41; LippoBank Production L001710-001713 (Resume of John Huang) (Exhibit 1).

While in Little Rock the Riadys met then-Governor Bill Clinton and formed a friendship lasting through Clinton's presidency.¹¹ The Riadys not only were friends, but also financially supported Clinton's gubernatorial campaigns throughout the 1980s.¹² During their time spent in Arkansas, the Riadys met other individuals who later would play a role in the campaign finance story as well. In particular, James and Mochtar Riady developed a relationship with C. Joseph Giroir, Jr., a partner in the Worthen Banking Corporation, attorney at the Rose Law Firm, and friend of the President and First Lady.¹³ In addition, they made contacts with individuals who would later serve on the White House staff and in high-level positions within various departments and agencies.

James Riady and Huang stayed in Little Rock until approximately 1987, when the Riadys sold their shares of Worthen Bank and focused their attention on a bank they previously had purchased in San Francisco, California.¹⁴ Soon thereafter they established the Bank of Trade in Los Angeles which later became LippoBank.¹⁵

The Committee found that although by the 1990s the Lippo Group had numerous U.S. affiliates and subsidiaries, generally the U.S. operations were not profitable.¹⁶ Furthermore, former Lippo executive Charles DeQueljo explained that the U.S. operations were a topic of debate among the senior Lippo executives.¹⁷ Many in the Lippo hierarchy felt that the overall Group should not maintain any unprofitable operations.¹⁸ Others argued that LippoBank California was important "strategically," in order to have a presence in the United States.¹⁹ Those believing in the strategic importance of the U.S. operations prevailed. However, the profitability of the operations is important as many of the Riady linked political contributions came from these Lippo entities which had no or minimal net profits at the time of the contributions.²⁰

Equally important to the Riadys' legal ability to contribute to political campaigns was the fact that between 1990 and early 1991, James Riady and his wife returned to

¹¹ Deposition of Charles L. DeQueljo, House Government Reform and Oversight, June 9, 1998 at 41, 111-112 (hereinafter "DeQueljo Deposition").

¹² DeQueljo Deposition at 40-43.

¹³ Giroir Senate Deposition at 35-36.

¹⁴ The Riadys were bought out of Worthen by the Stephens family after the bank experienced a major defalcation by Bevil Bressler in 1986. After the defalcation, regulators investigated the quality of Worthen's assets and determined there were problems. Allegations were made against Worthen's loan practices and asset quality. Eventually, the Riadys traded their interest in the Worthen Bank for the Stephens' interest in the Hong Kong Chinese Bank, and also traded their interests in other joint ventures. Deposition of Arthur Vernon Weaver, House Government Reform and Oversight, August 11, 1997, at 76; Giroir Senate Deposition at 47; White House Document Production EOP 037032-034 (Exhibit 2).

¹⁵ Giroir Senate Deposition at 47.

¹⁶ Based on documents and Committee interviews, most of Lippo's American based affiliates/subsidiaries were highly specialized corporations established as either shells with no apparent business or for the purported purpose of holding property. See generally Chapter 3, II.

¹⁷ DeQueljo Deposition at 92-93.

¹⁸ Id.

¹⁹ Id.

²⁰ For a detailed analysis of the Riady family and Lippo entities' contributions, see generally Chapter 3, II.

Indonesia where James Riady took over Indonesia based Lippo operations.²¹ After James Riady's departure, Huang was in charge of Lippo's U.S. operations.²² Huang's position with Lippo in the United States allowed him time to participate in fundraising activities during the 1992 election cycle.

II. HUANG AND RIADY'S EARLY RELATIONSHIP WITH THE DEMOCRATIC NATIONAL COMMITTEE

A. 1991 DNC Fundraising Trip to Asia

Even from Asia, the Riadys were involved in the DNC's 1992 fundraising effort. The family played host for a DNC delegation, headed by then-Chairman Ron Brown, visiting Hong Kong in December 1991.²³ John Huang organized the Hong Kong/Lippo portion of the trip from the United States, as noted in a memorandum written by the organizer of the Asia tour, Melinda Yee:

John Huang is our key to Hong Kong. He is also interested in renewing his trusteeship to us on this trip through his Asian banking connections. He has agreed to host a high dollar event for us in Hong Kong with wealthy Asian bankers who are either U.S. permanent residents or with U.S. corporate ties. He will make sure that all of the hotel accommodations, meals, and transportation are paid for by his bank. He should be invited to be part of our delegation.²⁴

The Lippo Group did schedule numerous meetings for the DNC delegation, including what was referred to on the schedule as, "DINNER (\$\$) HOSTED BY LIPPOGROUP [sic] (JOHN HUANG)."²⁵ The dollar signs appear to refer to the fact that the dinner was held for the purposes of fundraising. Although there were several fundraising events scheduled, the DNC is unable to account for any contributions which may have been raised in conjunction with the Hong Kong trip.²⁶

²¹ DeQueljoe Deposition at 43-44.

²² Id. at 58.

²³ DNC Document Production E 0000140 (Exhibit 3); F 0010739 (Exhibit 4).

²⁴ Exhibit 3.

²⁵ DNC Document Production E 0000627-629 (Exhibit 5).

²⁶ The Committee sent interrogatories to the DNC regarding the 1991 trip to Asia and Hawaii. The Committee asked the DNC to provide a list of contributions raised from each leg of the trip: Hong Kong, Taiwan, and Hawaii. DNC General Counsel Joseph Sandler responded:

Although I have not been able to identify with certainty all contributions raised from this trip, and know of no way to do so, I have determined that the DNC's computerized records of contributions received include a source code called "Hawaii Trip," which appears to have been created in December 1991. Attached as Exhibit E is a print out of the DNC's A/S 400 records of all contributions attributed, in those records, to his source code.

It appears that the trip was successful, as then-DNC Chairman Ron Brown had high praises for John Huang. When Brown returned from Asia, he wrote to Mochtar Riady, thanking him and the Lippo Group for hosting the DNC delegation during their stay in Hong Kong. Brown wrote, "I especially wanted to recognize my friendship with John Huang and the tremendous asset that he is to the Lippo Group."²⁷

While preparing for the 1991 Asia fundraising trip, John Huang recommended that the DNC enlist the services of Maeley Tom for the trip.²⁸ In a DNC memo, Ms. Tom's role is described:

Originally, she was just going to join us on the Hawaii leg. However, because she can speak Chinese fluently, has a proven track record in fundraising with donors from Asia, and has credibility with Maria Hsia and John Huang, I believe that we will maximize our dollars both immediately and after the trip with Maeley's presence. She has already been working with Maria, John and others to plan a successful trip for us.

At the time of the trip, Ms. Tom served on the Executive Committee of the DNC.²⁹ Ultimately, Ms. Tom did participate in the Asia trip with Secretary Brown.

After the election, James Riady hired Maeley Tom to be his liaison with the DNC.³⁰ Ms. Tom explained her new position with the Lippo Group in a letter to David Wilhelm, then-Chairman of the DNC:

The Riady family, LIPPO GROUP, were [sic] concerned about the way I was being treated with regards to my appointment with the SBA. In Seattle, James Riady asked me to consider working for them on a contractual basis to put together the business leaders from East Asia with the Administration for meetings and education purposes. He felt we could do this thru [sic] the DNC and use this as a vehicle to raise dollars from a fresh source for the DNC.³¹

All of the contributions listed in Exhibit E related to only the Hawaii portion of the trip. DNC Document Production DNC 4125841; DNC Response to Interrogatories from the Committee on Government Reform and Oversight, February 26, 1998, Interrogatory 10.

²⁷ Exhibit 4.

²⁸ DNC Document Production 0856803 (Exhibit 6).

²⁹ Exhibit 6.

³⁰ MT 00811-833 (Billing records from Maeley Tom to Lippo Group, produced to Senate Governmental Affairs Committee); DNC Document Production DNC 0841082-083 (Exhibit 7); Hip Hing Holdings Document Production 5090 (request dated September 9, 1994 to Ong Bwee Eng in Jakarta to wire Hip Hing Holdings [Lippo subsidiary] for reimbursement of, of among other things, consultant fee to Maeley Tom).

³¹ Exhibit 7.

Although it is unclear what Maeley Tom did for Riady as his DNC liaison, Riady kept her on his payroll from July 1994 through August 1996.³² In addition, by December 1995, James Riady had an additional contact at the DNC with the hiring of John Huang. Riady assisted John Huang in attaining a fundraising position with the DNC focusing on the Asian community.³³

B. 1992 Elections: Riady and Huang Support for Clinton

As they had supported Mr. Clinton in his gubernatorial races, the Riady family, although no longer living in the United States, supported Clinton in his presidential race. After James Riady and his wife Aileen returned to Jakarta in 1990, they personally contributed \$450,000 to the DNC and various state Democratic parties in the weeks and months leading up to the November 1992 election.³⁴

It is impossible to discern Riady's motives for contributing to a U.S. election, as Riady is not cooperating with investigators. Generally foreign nationals do not have the same vested interest in a candidate as a citizen living in the United States would have, nor do the laws allow a foreign national to contribute. However, from documents produced to the Committee, it is possible to speculate that Riady wanted his interests to be heard. For example, on August 13, 1992, James and Aileen Riady contributed a total of \$40,000 to Democratic causes. The following day, then Governor Bill Clinton, on his way to a fundraiser, took a five minute car ride with James Riady. The request for the time with Riady is memorialized in an August 14, 1992 memorandum from then-campaign aide Melinda Yee:

James Riady is the Deputy Chairman of Lippogroup [sic] and a long-time acquaintance of yours. The group is in financial services in the U.S. and throughout Asia. Mr. Riady lived in Arkansas from 1985-1987 when he was president of Worthen Bank in Little Rock.

He has flown all they [sic] way from Indonesia, where he is now based, to attend the fundraiser. He will be giving \$100,000 to this event and has the potential to give much more. He will talk to you about banking issues and international business. This is primarily a courtesy call.³⁵

It is clear from the memorandum that James Riady was not living in the United States. The President also knew from his time in Arkansas that the Riady family were Indonesian

³² It appears from documents produced by Maeley Tom that she was employed by the Lippo Group from July 1994 through August 1996. MT 00811-833 (Billing records from Maeley Tom to Lippo Group, produced to Senate Governmental Affairs Committee).

³³ For a more detailed description, refer to infra A.

³⁴ The \$450,000 figure represents the amount contributed by James and Aileen personally. A company under the control of the Riadys also contributed \$50,000 to the DNC in support of the Clinton campaign. For a more detailed analysis of the contributions, see generally Chapter 3, II.

³⁵ Clinton/Gore '92 Document Production CG92B 00543 (Exhibit 8); see also CG92B 01461 (Exhibit 9).

nationals. Nevertheless, the car ride meeting and subsequent contribution began the cycle of the Riadys giving to Clinton and Democratic causes supporting Clinton's candidacy. The Riady family remained close to Clinton, who would meet with the Riady family and hear their concerns on various topics important to their business.

The Riadys' generosity did not stop when Bill Clinton was elected. They contributed \$200,000 to the 1992 Presidential Inaugural Committee ("PIC").³⁶ PIC is the entity which plans and pays for the president's inauguration ceremony and related festivities. However, not only did the Riadys personally support the Clinton campaign and inaugural, their companies and employees did as well.³⁷

More than any other individual affiliated with the Riadys, John Huang was an active supporter of then-Governor Clinton's 1992 presidential election. During the 1992 election cycle John Huang and his wife Jane contributed a total of \$32,800 to the DNC and California state Democratic party.³⁸ Huang also contributed \$86,000 to PIC, which was later reimbursed by the Lippo Group's Bank of Trade.³⁹ Not only did he contribute himself, but Huang also engaged in fundraising activities in the Asian American community on behalf of Governor Clinton.⁴⁰ His efforts warranted him a spot on the DNC's "must consider" list for government appointments once President Clinton took office.⁴¹

III. EMPLOYMENT RELATIONSHIPS BETWEEN THE CLINTON ADMINISTRATION AND THE LIPPO GROUP

A. Lippo Employees Obtain Positions within the New Clinton Administration

Eventually, Huang's fundraising efforts were rewarded with an appointment as Principal Deputy Assistant Secretary for International Economic Policy at the International Trade Administration of the Department of Commerce.⁴² Around the time

³⁶ See generally Chapter 3, II.

³⁷ For a detailed analysis of other Lippo Group employees and their contributions, See generally Chapter 3, II.

³⁸ For a detailed analysis of John and Jane Huang's contributions, see generally Chapter 3, II.

³⁹ For a detailed analysis of John Huang's contributions to PIC, see generally, Chapter 3, II.

⁴⁰ Huang participated in an Asian Pacific American Unity Fundraising Lunch in California. In a briefing memo on the event, written by Melinda Yee, she notes, "This fundraising lunch, hosted by California Secretary of State March Fong Eu and John Huang, a banker (who had met you when he was with James Riady who opened a bank in Arkansas in 1985) Clinton/Gore '92 Document Production CG92B-00530; CG92B-00398-399.

⁴¹ In an August 27, 1993 memorandum, DNC Chairman David Wilhelm wrote to John Emerson in White House Presidential Personnel regarding "Asian Pacific American Appointments." John Huang is described as a "DNC Trustee, Major Fundraiser . . . Needs extra push for Deputy Assistant Secretary Position for East Asia & Pacific." DNC Document Production DNC F 0031764-771; see also "Asian Pacific American Must Consider Recommendations to the Clinton Administration, Nov. 1992" White House Document Production EOP 048876-77.

⁴² Huang was originally approved in December 1993, but did not actually begin working at the Commerce Department until July 18, 1994. DNC Document Production D 0000840-852 (Executive Branch Public

of the election Huang began pursuing an appointment through Clinton's transition team.⁴³ Soon after the new administration took office, Maeley Tom wrote to the new Deputy Director of Personnel to recommend Huang:

John Huang, Executive Vice President of Lippo Bank, is the political power that advises the Riady Family on issues and where to make contributions. **They invested heavily in the Clinton campaign.** John is the Riady Family's top priority for placement because he is like one of their own. The family knows the Clintons on a first-name basis because they made a huge investment in Arkansas when they built their bank there.⁴⁴

Huang's name was considered by Presidential Personnel several times before his actual appointment in July 1994.⁴⁵ In fact, Bruce Lindsey, then-Director of Presidential Personnel, was unable to recall anything about Huang's appointment at the Department of Commerce.⁴⁶

Along with documents showing Huang's interest in a government position, the Committee found that James Riady was also placed on a list of "must consider" appointments. Unlike Huang, who sought a position with a department or agency, documents show that Riady was interested in placement on a commission or advisory council dealing with international trade or banking.⁴⁷ Such commissions or councils normally consist of United States citizens with some expertise or knowledge in the designated field which qualifies them to advise the United States government. Although James Riady may have unique knowledge of international trade and banking, he is not a United States citizen. Nevertheless, one DNC document describes James Riady, who had not lived in the United States since 1990, as a "leading national fundraiser" for the DNC in 1992.⁴⁸

Not only were both Huang and Riady seeking some sort of position within the new administration, they also assisted in the placement of another Lippo employee, Charles DeQueljo, within the Clinton administration.⁴⁹ However, DeQueljo, unlike James

Financial Disclosure Report); see White House Document Production EOP 002131-132 (Exhibit 10). The Senate Governmental Affairs Committee wrote extensively on the facts surrounding Huang's appointment to the Commerce Department and his tenure there, therefore the issues will not be extensively covered in this report. Senate Committee on Governmental Affairs, Final Report of the Investigation of Illegal or Improper Activities in Connection with 1996 Federal Campaigns, S. Rep. No. 167, 105th Cong., 2d Sess. Vol. 1 (1998) (Hereinafter "Senate Report").

⁴³ Huang sent his and Charles DeQueljo's resume to Jerry Stern, a member of the Presidential Transition team. (Exhibit 11).

⁴⁴ Emphasis added. White House Document EOP 052763-769 (Exhibit 12)

⁴⁵ White House Document EOP 009340-341 (Exhibit 13); EOP 002117-118 (Exhibit 14).

⁴⁶ Lindsey Deposition at 63, 67-68.

⁴⁷ DNC Document Production DNC 3540680-681 (Exhibit 15).

⁴⁸ All the individuals on the list were considered "must considers" and were to be sponsored by the DNC. DNC Document Production DNC 1729180-183 (Exhibit 16).

⁴⁹ DeQueljo Deposition at 61-63

Riady, is a naturalized U.S. citizen who lived in Jakarta at the time he sought a position on a commission. Although Riady did not serve on any commissions or advisory committees, DeQueljo became a member of the Investment and Services Policy Advisory Committee (“INSPAC”) of the United States Trade Representative.⁵⁰

Huang worked to secure the INSPAC position for DeQueljo.⁵¹ James Riady steered DeQueljo toward John Huang for assistance because Huang was “well-regarded within the Democratic Party and that he had a number of good relationships and contacts within the Democratic Party.”⁵² James Riady had encouraged DeQueljo to contribute to the campaign if he wanted to be noticed in his endeavor to attain a position in the administration.⁵³ Huang then advised DeQueljo to contribute \$50,000 to the DNC at the end of November 1993.⁵⁴ After taking both Riady and Huang’s advice, DeQueljo was selected for the INSPAC position.

B. Lippo Hires Friends and Former Employees of the Clinton Administration

Upon President Clinton’s election, many friends and associates of the new President saw an opportunity to further their own interests by trading on access to his administration. Similarly, many of Clinton’s friends followed him to Washington to find jobs within the new administration. Having spent time in Arkansas, both James Riady and John Huang knew officials at all levels of the administration. In addition, Lippo hired individuals with ties to the Clintons and contacts within the administration.

Shortly after the election, in April 1993, C. Joseph Giroir, a former law partner of First Lady Hillary Rodham Clinton, incorporated the Arkansas International Development Corporation (“AIDC”).⁵⁵ AIDC was initially capitalized by funding from the Lippo Group.⁵⁶ The purpose of AIDC was to develop projects or joint ventures for the Lippo

⁵⁰ John Huang, at the instruction of James Riady, assisted DeQueljo in attaining his position on the Investment and Services Policy Advisory Committee (“INSPAC”). DeQueljo lived in Jakarta while he served, and flew to Washington, D.C. to attend the meetings. However, DeQueljo was only able to attend three of the meetings held by INSPAC. DeQueljo Deposition at 82, 88; Memo to Jerry Stern from John Huang, undated (Exhibit 11).

⁵¹ DeQueljo depended solely on Huang to acquire a commission position. At the time he was appointed to INSPAC, DeQueljo was living in Jakarta, Indonesia. DeQueljo testified that he had not interviewed with anyone in the administration. The only individual in the administration with whom he spoke about an appointment was Debbie Shon. Huang had introduced DeQueljo to Shon during the APEC summit in Seattle in 1993. During his deposition, DeQueljo was asked, “When you were seeking a position within the Clinton administration, had you contacted anyone without Huang’s assistance?” He answered, “No, I did not.” DeQueljo Deposition at 66, 69-70.

⁵² DeQueljo Deposition at 23.

⁵³ DeQueljo Deposition at 29.

⁵⁴ DeQueljo Deposition at 28.

⁵⁵ Deposition of C. Joseph Giroir, Jr., Senate Governmental Affairs Committee, April 30, 1997 at 15 (hereinafter “Giroir Deposition”).

⁵⁶ Giroir testified that the Lippo Group advanced Giroir \$50,000 which he used as the initial capitalization of the company. Giroir Deposition at 15-16.

Group.⁵⁷ In 1995, Giroir and Lippo formed a limited liability company, also referred to as AIDC.⁵⁸ Through the corporation, the Riadys paid Giroir a salary of between \$350,000 and \$600,000 with bonuses.⁵⁹ Similar to the Riadys, Giroir was a major contributor to the DNC. In 1996 alone, Giroir contributed close to \$200,000 in conjunction with fundraisers organized by John Huang.⁶⁰

In late 1995, around the time that Giroir and Lippo incorporated the second AIDC, Giroir hired former White House staffer Mark Middleton.

1. Mark Middleton

Mark Middleton was a Special Assistant to the President and Deputy to Counselor Mack McLarty before resigning his position in February 1995.⁶¹ He had also been a fundraiser for the 1992 Clinton campaign, raising \$4 million in Arkansas alone.⁶² While Middleton was an employee of the White House, James Riady and John Huang visited him frequently.⁶³ In July 1995, Middleton was retained by the Riady funded AIDC and paid \$12,500 per month.⁶⁴ As a consultant, Middleton was supposed to seek out businesses looking for opportunities in the Asian market, particularly joint venture partners for Lippo entities.⁶⁵ Between July 1995 and April 1997, Middleton was paid his monthly retainer yet delivered no finalized venture contracts.⁶⁶

In addition to his other projects, Middleton arranged meetings and completed other tasks directly for James Riady. Mr. Middleton invoked his Fifth Amendment right against self incrimination in response to a Committee subpoena, therefore the Committee was unable to ask him about his work for the Riadys.⁶⁷ However, former Lippo officer Charles DeQueljo stated that although he was not aware of the precise work Middleton was doing, “from time to time I would overhear conversations where people would be

⁵⁷ Giroir Deposition at 17-18.

⁵⁸ Giroir testified that originally he was paid “roughly a couple hundred thousands dollars [sic] a year in fees” by AIDC-1. In 1995, he was then paid “roughly \$500,000” per year from AIDC-2. In each instance, a Lippo subsidiary was paying the salary. Giroir Deposition at 17.

⁵⁹ Giroir Deposition at 17-19.

⁶⁰ Giroir Deposition at 158-159, 167.

⁶¹ White House Document EOP 068500.

⁶² Eliza Newlin Carney and Peter H. Stone, *Blind Ambition*, National Journal, June 7, 1997, at 1123.

⁶³ White House Document Production EOP 004522-526 (summary of John Huang WAVES records prepared by White House); White House Document production EOP 055316-318 (summary of James Riadys WAVES records prepared by the White House).

⁶⁴ Giroir Deposition at 233-234.

⁶⁵ Giroir Deposition at 229-234.

⁶⁶ Giroir testified that at the time of the deposition in April 1997, there was one contract that Middleton brought to AIDC that was under negotiations, but not finalized. Therefore Middleton was paid at least \$262,000 by the Riadys in that time period, but produced no joint venture partners. Giroir Deposition at 234.

⁶⁷ Letter to Chairman Dan Burton from Robert D. Luskin, attorney to Mark Middleton, February 27, 1997 (asserting Middleton’s Fifth Amendment privilege against self incrimination with respect to the Committee subpoena).

contacting Mark to ask Mark for that information or ask Mark for this, something like that.”⁶⁸

Soon after leaving the White House, and while working at International Realty Investors,⁶⁹ Middleton took a trip to Asia.⁷⁰ During the trip, Middleton received a message from his assistant, “[a]lso, Larry [Middleton] spoke with Johnny Huang who said that you need to get your itinerary to the Riady Group [sic]. They want to ‘take care of you’ while you are in Hong Kong – have a car meet you at the airport, etc . . .”⁷¹ The Riadys also took care of Middleton while he was in Jakarta, where he stayed at the Riadys’ hotel.⁷² Although he had already resigned his White House position, Middleton passed out his White House business cards while on the trip. He requested that his assistant send the business cards to his brother, Larry Middleton, who would be joining him on the trip.⁷³ Until October 1996, there was a message on Middleton’s old White House voice mail which advised callers of his new phone number.⁷⁴

Middleton had regular contacts with John Huang, who was then working at the Commerce Department.⁷⁵ In addition, in this same time frame, Middleton was visiting the White House quite frequently. His former intern Yusuf Khapra would admit him to the White House:

Generally, cases where I cleared him in and I listed myself as the visatee, he – it would often be because he wanted to sort of , you know, work the halls, and meet a number of different people, drop by on a number of different offices and didn’t have a specific meeting set with anyone.⁷⁶

⁶⁸ DeQueljoe Deposition at 134.

⁶⁹ International Realty Investors (“IRI”) was a company privately owned by Steven J. Green. Green met Middleton through his work at the White House. Before starting work with IRI, Green was aware that Middleton would make one trip to Asia. The trip was supposedly to let some of Middleton’s contacts know that he was now in the private sector, and look for some business opportunities to bring back to Green. After working for Green for several months, Middleton decided that he wanted to take on consulting clients of his own, and have Green as a client rather than an employer/employee relationship. The relationship never worked out, and Middleton soon began his own business, CommerceCorp International. Middleton signed a contract with AIDC before he left IRI. Interview with Stephen J. Green, Committee on Government Reform and Oversight, March 10, 1998.

⁷⁰ Middleton left for an Asia tour on March 20, 1995, he traveled to Beijing, Hangzhou, Shanghai, Hong Kong, Macao, Taiwan, Jakarta and Brunei. Gould Document Production 0265.

⁷¹ Gould Document Production 0053.

⁷² Middleton wrote a memorandum to Jose Hanna of the Lippo Group: I will be arriving in Jakarta on Wednesday, April 5th . . . I am writing to find out the hotel arrangements you have made for me in Jakarta and if you have set up a meeting for me with Mr. Bakrie.” Gould Document Production 0059; 0062.

⁷³ Middleton’s assistant confirmed that she had sent the cards in a fax, “I fedexed your White House cards to Larry.” Gould Document Production 0060.

⁷⁴ Deposition of Yusuf Khapra, Government Reform and Oversight, August 12, 1997, at 99 (hereinafter “Khapra Deposition”); White House Bulletin, Oct. 31, 1996, at 2.

⁷⁵ See generally Commerce Department Production of John Huang’s Phone Logs; Gould Document Production, Middleton’s Phone Messages.

⁷⁶ Khapra Deposition at 99.

It is unclear what Middleton was doing during his visits to the White House. However, he organized many White House tours and lunches for what appear to be his clients. In addition, he was able to schedule meetings for clients with the President and First Lady.⁷⁷ Although the Committee does not have much information on Middleton's duties relating to the Lippo Group, it is aware of at least one meeting with the President which Middleton arranged for James Riady.

In September 1996, Middleton contacted Mack McLarty about arranging a meeting between the President and James Riady:

As I remember, Mr. Middleton called me and related that Mr. Riady and the President had had a visit at some earlier meeting that I was not in attendance, and they did not complete their conversation, according to Mr. Middleton, and that the President had asked Mr. Riady to arrange an appointment with him to finish their conversation. And Mr. Middleton is asking me to follow up on the President's request, making me aware of the President's request.⁷⁸

Middleton then sent McLarty a cryptic memorandum referring to a "meeting participant,"⁷⁹ which McLarty confirmed was about scheduling a meeting with James Riady.⁸⁰ James Riady arrived in Washington on September 8, 1996 and checked into the Hay Adams Hotel under the care of Mark Middleton.⁸¹

⁷⁷ The First Lady's October 30, 1995 schedule lists meetings with Nina Wang, of Hong Kong, and Mark Middleton and later Mark Middleton with the Widjaja family of Indonesia. White House Document Production EOP 020356. On November 2, 1995 Middleton arranged for the Widjajas to have their photo taken with President Clinton. EOP 0585027-533 (Schedule of the President). During the Widjajas visit to the United State, Middleton also arranged for them to meet with Don Fowler on November 1, 1995. Fowler's schedule notes: the Widjaja family is one of the wealthiest and most successful families in Indonesia; **Mark Middleton will discuss their giving potential at a later date.** [emphasis added] DNC 302227.

⁷⁸ Deposition of Thomas F. "Mack" McLarty, House Committee on Government Reform and Oversight, September 5, 1997 at 185-186 (hereinafter "McLarty Deposition").

⁷⁹ It is important to note that the White House never produced this document, even though McLarty recognized it as a document he received. However, Mark Middleton's company, CommerceCorp, produced it in response to a Committee subpoena. CommerceCorp Document Production CC-H-000157 (Exhibit 17).

⁸⁰ Mack McLarty told Middleton to contact Nancy Hernreich about setting up a meeting for Riady; McLarty would inform Hernreich ahead of time. McLarty testified, "I told [Hernreich] that Mr. Middleton may be calling her about an appointment for James Riady; that, as I understood it, the President had requested to see Mr. Riady to complete a conversation they had had at some earlier point in time." Hernreich then asked Bruce Lindsey to inquire whether the President would like to meet with Riady. According to Lindsey, he asked the President, and the President agreed. McLarty Deposition at 185-186, 188-189; Deposition of Bruce R. Lindsey, House Government Reform and Oversight Committee, September 8, 1997 at 211 (hereinafter "Lindsey Deposition").

⁸¹ Hay Adams Hotel documents show that Middleton paid for Riady's accommodations on his corporate credit card. Hay Adams Hotel Documents (unnumbered).

On September 9, 1996, the President, Riady, Middleton and Bruce Lindsey met. Bruce Lindsey, the only individual available for questioning about the meeting, described the following:

They discussed, again, they talked about social sort of things, family, what they were doing. James asked the President, made some comment to the President about how – had he given any thought to what he was going to do after he was President because he'd be so young. . . . James said something as he was leaving to the effect of I think you made the right decision on MFN [Most Favored Nation trading status] and I hope you will stay engaged in China.⁸²

The Riady family had consistently shown an interest in China and MFN status. At the time of the meeting, the Lippo Group had engaged in an expansion of their business into China, in particular, forming a partnership with China Resources Company. Shortly after President Clinton took office, Mochtar Riady wrote to Clinton, advocating among other things, MFN status for China.⁸³

It should be noted that the ethnic-Chinese Riady family's business was very closely tied to the MFN trading privilege for China, and the development of the Asian markets generally.⁸⁴ The Riadys made contributions towards then-candidate Clinton's election even though at that time Clinton was linking the grant of MFN privilege for China to human rights issues.⁸⁵ In fact, candidate Clinton criticized President Bush for his stance on MFN to China.⁸⁶ However, after taking office President Clinton softened his position on MFN, and ultimately approved MFN for China in May 1993.⁸⁷ By 1994, President Clinton completely de-linked China's MFN trading privilege from its human rights record.⁸⁸ While many would certainly argue that there are sound policy reasons for the extension of MFN status for China, President Clinton is one of the rare politicians to have dramatically altered his position on this controversial issue.

On matters relating to Indonesia, Mark Middleton assisted the Riadys as well. Not only did he organize a meeting with President Clinton, Middleton also spoke with President Soeharto of Indonesia on behalf of the Riady family.⁸⁹ In an October 1995 letter to James Riady, Middleton wrote, "On two separate occasions, I spoke to President Soeharto and mentioned how helpful you have been to him here in Washington. He

⁸² Lindsey Deposition at 218-219.

⁸³ The letter also thanks Clinton for the personal time he spent with the Riady family on Inauguration day 1993. White House Document Production EOP 003036-003039 (Exhibit 18).

⁸⁴ Choi Hak Kim, *Mochtar Riady, A Man of Insight*, Forbes (Chinese Language Edition), Oct. 1993.

⁸⁵ David Lauter, *Clinton Blasts Bush's Foreign Policy Record*, L.A. Times, August 14, 1992, at A1.

⁸⁶ Id.

⁸⁷ Jim Mann, *Clinton Ties China's Trade in Future to Human Rights, Asia: He Extends Favored-Nation Status*, L.A. Times, May 29, 1993, at A1.

⁸⁸ John M. Broder and Jim Mann, *President De-links Most Favored Nation Privilege from Human Rights*, L.A. Times, May 27, 1994.

⁸⁹ CommerceCorp Document Production CC-H-000484-487 (Exhibit 19).

certainly seemed to be very appreciative of your efforts.”⁹⁰ Middleton appears to have served two separate functions for the Riady family, taking care of both political and business interests.

2. Webster Hubbell

Before the Riadys brought on Mark Middleton, they had hired another Clinton administration figure, former Associate Attorney General Webster Hubbell, who was also a Rose law firm partner of Hillary Clinton. Hubbell resigned from his position with the Justice Department in April 1994, citing a dispute with his former law partners at the Rose Law Firm.⁹¹ James Riady hired Hubbell in June 1994, after his resignation from the Department of Justice that April.⁹² Hubbell was paid a lump sum of \$100,000 for unknown services performed between June 27, 1994 and December 6, 1994.⁹³ The hiring occurred around the same time as John Huang finally was approved for a position at the Department of Commerce.

The timing of Hubbell’s hiring raised concerns, as it came on the heels of an Oval Office meeting between James Riady, John Huang and Arkansas Mark Grobmyer.⁹⁴ Soon after Hubbell had resigned from the Department of Justice, he became a target of the Office of Independent Counsel’s Whitewater investigation. Hubbell was allegedly cooperating with prosecutors after he left Justice, but by the summer of 1994 all cooperation had ceased.⁹⁵ At the same time, numerous friends and associates of the President hired Hubbell as a “consultant,” although he performed little, if any work for all

⁹⁰ Exhibit 19.

⁹¹ Hubbell’s legal problems were first disclosed by the Washington Post on March 2, 1994. Hubbell officially announced his resignation from the Department of Justice on March 14, 1994 and formally resigned on April 8, 1994. Susan Schmidt, *Law Firm Probing Hubbell*, Wash. Post, March 2, 1994 at A1; *Justice Aide Leaves Today*, NYT, April 8, 1994 at A6.

⁹² *Hearing on the Improper Handling of Documents in Deputy White House Counsel Vincent Foster’s Office after His Death Before the Senate Special Committee to Investigate the Whitewater Development Corporation and Related Matters*, 104th Cong., 2d Sess. 242-244 (1996) (testimony of Webster Hubbell).

⁹³ Both Riady and Hubbell refuse to describe what services, if any, Hubbell performed. In addition, to his salary, the Lippo Group also paid for a trip to Jakarta and Bali for Hubbell and his wife. Deposition of Webster L. Hubbell, Senate Select Committee on Whitewater Development Corporation and Related Matters, June 4, 1996, at 103-124; NationsBank account records for Webster Hubbell (Exhibit 20); Hip Hing Holdings Document Production HHH 1415 (Exhibit 21).

⁹⁴ During the week of June 21-25, 1994, James Riady and John Huang attended several meetings at the White House. At the time, Huang was scheduled to receive a presidential appointment at the Department of Commerce. On June 23, 1994, Riady, Huang and Mark Grobmyer met with the President at 10:00 am. Before the meeting with the President, Riady had a 7:30 am breakfast with Webb Hubbell at the Hay Adams Hotel, where Riady was staying. Directly after the meeting with the President, Riady had lunch with Hubbell, again at the Hay Adams Hotel. The \$100,000 wire transfer was in Hubbell’s account by June 27, 1994. DOT 0084B (June 23, 1994 Calendar of Webster Hubbell); see EOP 055316-318 (WAVES Summary of James Riady).

⁹⁵ Stephen Labaton & Jeff Gerth, *Asian Paid \$100,000 to Hubbell Days After Visits to White House*, NY Times, March 20, 1997 at A1.

of the employers.⁹⁶ However, by December 1994, Hubbell pleaded guilty to charges of tax evasion and mail fraud related to his work at the Rose Law Firm. After the guilty plea, Hubbell was relieved of the majority of his consulting work, but only after he was paid over \$700,000. In the spring of 1995, Hubbell approached Mark Middleton to ask whether the Riadys would keep him on the payroll as he prepared to enter prison.⁹⁷ According to Middleton's attorney, Middleton told Hubbell that he would have to ask James Riady or John Huang.⁹⁸ At the time, Huang was working at the Commerce Department, not for the Riadys.

During the investigation of campaign financing matters, all of the payments to Hubbell came to light due to the connection to James Riady. The Committee soon discovered that there was an effort within the Clinton administration, of which the President and First Lady were aware, to find work for Hubbell.⁹⁹ Mack McLarty had planned to write a memo to the President and First Lady, "to let them know that I had been supportive of Webb and the transition, while difficult, was not going to be just completely an impossible one."¹⁰⁰ Ultimately McLarty says he did not write a memo, rather, he told the President or First Lady in person about prospects for Hubbell.¹⁰¹ However, Hubbell has denied that the Riady payment or any other money he received from friends of the President affected his cooperation with the Independent Counsel.¹⁰²

Unfortunately, the Committee has been unable to receive testimony from Hubbell on the payments, as he invoked his Fifth Amendment right against self-incrimination in response to Committee inquiries on the matter.¹⁰³ Likewise, James Riady and John

⁹⁶ After leaving Justice, Hubbell received over \$700,000 from friends and associates of President Clinton while he was allegedly cooperating with the Independent Counsel. Exhibit XX [Chart of Hubbell payments].

⁹⁷ Jeff Gerth and Stephen Labaton, *A Wider Circle at White House Knew of Efforts to Help Hubbell*, N.Y. Times, April 10, 1997, at A1.

⁹⁸ Id.

⁹⁹ In fact, a senior administration official was quoted in the press as saying, "taking care of Webb became like petting the new bunny, if you wanted to show the President you were supportive, this was a good way to do it: pet the bunny." David Willman, *Efforts on Hubbell's Behalf May Be a Key to Whitewater Inquiry*, L.A. Times, April 6, 1997 at A1; Deposition of Thomas F. "Mack" McLarty, House Government Reform and Oversight Committee, September 5, 1997 at 56-60 (hereinafter "McLarty Deposition").

¹⁰⁰ McLarty Deposition at 103-104.

¹⁰¹ Id. at 104.

¹⁰² Stephen Labaton & Jeff Gerth, *Asian Paid Hubbell \$100,000 Days After Visits to White House*, NYT, March 20, 1997 at A1.

¹⁰³ Doug Buford, who did legal work for the Riady family, testified about Hubbell's interest in working for the Lippo Group: Webb called me, after he left Justice, and we were talking, I don't recall when, but at some point after he left Justice, and, you know, we were talking about what he was doing and where he was going to work and stuff like that, and he asked me – told me he was doing consulting work and asked me if I thought the Lippo Group would be able to use him or whether he could work for them or not." Buford called John Huang and told him of Hubbell's interest. Buford testified that he was careful to inform Huang that he was placing the call on his own and had not discussed it with anyone at the White House. When asked if he thought there would be a different response if the information came from the

Huang, the two individuals who may also have knowledge of the terms of Hubbell's Lippo employment, have refused to cooperate with the Committee. An associate of James Riady told the media that Riady explained, "Mr. Hubbell was our very close friend, when he left [the Justice Department], we felt we should help him out. We didn't like to see him without a source of income."¹⁰⁴

It is clear that the Riadys, themselves and through employees, not only financially supported Clinton and the DNC during the 1992 campaign, but also hired individuals close to the Administration. Although James and Mochtar Riady were not living in the United States, John Huang coordinated the contributions made by Lippo related individuals and entities.¹⁰⁵ After President Clinton was elected in 1992, the Riadys and Huang remained in contact with him, making frequent visits to the White House as well.

IV. HUANG AND RIADY'S CONTACTS WITH THE CLINTON ADMINISTRATION

A. General Contacts

Both the Riady family and John Huang had unusual access to the President, the White House and the administration in general. In total, James Riady visited the White House compound on at least twenty occasions between April 1993 and September 1996.¹⁰⁶ During approximately the same time period, March 1993 through October 1996, John Huang visited the White House over 95 times.¹⁰⁷ Some of these visits, for both Huang and Riady, included visits with the President. Their contacts with the President and high level administration officials even extended to international events and meetings

White House, Buford replied, "I didn't know, but I didn't want to be party to any confusion. Deposition of C. Douglas Buford, Jr., House Government Reform and Oversight Committee, October 23, 1997 at 53-54.

¹⁰⁴ Peter Waldman, *East Meets West: By Courting Clinton, Lippo Gains Stature at Home in Indonesia*, Wall St. J., Oct. 16, 1996, at A1.

¹⁰⁵ For a detailed explanation of all contributions, see generally Chapter 3, II. In addition, another Lippo executive who was based in Jakarta, Jose Hanna, solicited contributions for U.S. elections from Lippo employees abroad. It is not clear whether all individuals who contributed were United States citizens. DeQueljo Deposition 36-37, 141.

¹⁰⁶ The total is according to Workers and Visitors Entry System Records ("WAVES") logged by the Secret Service. James Riady's name showed up on 25 occasions for which he was scheduled to be admitted to the White House compound. However, there were only 20 occasions for which there was a "time of arrival", meaning that Riady actually was logged through the gate. Generally, there are also manners in which one also can get into the compound without being "waved" in by a White House staffer. The Committee is aware of two instances where James Riady entered the White House compound without creating a record, on June 25 and September 10, 1994. White House Document Production EOP 055316-318.

¹⁰⁷ The Committee is unable to determine what occurred during the majority of Huang's visits as he has invoked his Fifth Amendment right against self incrimination. Many of Huang's visits were made to Special Assistant to the President and Deputy to the Counselor Mark E. Middleton. Mr. Middleton also invoked the Fifth Amendment in response to Committee subpoenas. In addition, many witnesses could not remember anything about Huang's visits. White House Document Production EOP 004522-526.

abroad. The Riadys' access is unusual for foreign nationals, even though they were also major DNC contributors.

On many occasions when James Riady visited the White House, John Huang accompanied him.¹⁰⁸ Riady was granted private meetings with the President on several occasions as well. For instance, the entire Riady family was invited to the 1993 Inaugural events and met privately with President and Mrs. Clinton.¹⁰⁹ Subsequently, James Riady attended at least two of President Clinton's Saturday Morning Radio addresses, along with Huang and family members.¹¹⁰ After the June 24, 1994, Radio Address President Clinton invited Riady and his family to remain, "Just sit everybody down, wherever you want them James."¹¹¹ That June in 1994, Riady and Huang were at the White House on several occasions, not only meeting with President Clinton, but with White House staff as well. These visits occurred a month before Huang assumed his position at the Commerce Department, but also coincided with Riady's hiring of Webster Hubbell.¹¹²

Soon after the 1992 election, and even before the inauguration, Huang contacted President-elect Clinton's nominee for Commerce Secretary, Ron Brown, about arranging a meeting with Mochtar Riady, father of James Riady and Chairman of the Lippo Group.¹¹³ An internal Commerce Department communication recommended that Brown accept the meeting:

Yes, Lippobank [sic] is a major banking firm in Asia – over ½ billion in assets – also headquartered in US in NY with office throughout the US.

John Huang took Pres. Clinton to Hong Kong in 1985 with an Arkansas Trade Delegation and was very active in 92.¹¹⁴

Later that year, Huang and Mochtar Riady requested that Commerce Secretary Brown meet with Shen Jueren, Chairman of China Resources and a major partner of the Lippo Group.¹¹⁵ In late 1992, China Resources purchased fifteen percent of the Lippo owned Hong Kong Chinese Bank.¹¹⁶ China Resources subsequently infused the failing LippoLand with tens of millions of dollars, effectively bailing the Riady family out of a

¹⁰⁸ White House Document Production EOP 055316-318(summary of James Riady's WAVES records); White House Document Production EOP 004522-526 (summary of John Huang WAVES records).

¹⁰⁹ Exhibit 18

¹¹⁰ White House Document Production EOP 055316-318(summary of James Riady's WAVES records); White House Document Production EOP 004522-526 (summary of John Huang WAVES records).

¹¹¹ White House Communications Agency videotape of June 24, 1994 Saturday Morning Radio Address.

¹¹² For further discussion of Webster Hubbell's employment with the Lippo Group, see *infra* III, B, 2.

¹¹³ Letter to Ronald H. Brown from John Huang, January 7, 1993 (Exhibit 22).

¹¹⁴ Scheduling Recommendation Office of the Secretary/Executive Secretariat 1/29/93 (Exhibit 23).

¹¹⁵ China Resources is a Chinese Government owned company which is a joint venture partner with the Lippo Group and partner in the Lippo controlled Hong Kong Chinese Bank. Letter to Ronald H. Brown from John Huang, September 10, 1993 (Exhibit 24).

¹¹⁶ *Investigation on Illegal or Improper Activities in Connection with the 1996 Federal Election Campaign -Part II Before the Senate Committee on Governmental Affairs*, 105th Cong., 1st Sess. at 29 (testimony of Thomas R. Hampson, President of Search International, regarding the Lippo Group).

precarious financial situation.¹¹⁷ Since 1993, the Lippo Group and China Resources entered into dozens of joint venture projects in the People's Republic of China.¹¹⁸

At the time the meetings for Shen Jueren were requested, China Resources was becoming one of Lippo's most important partners. During the same visit to the United States, Huang and Riady also organized a meeting between Vice President Gore and Shen Jueren as well.¹¹⁹ Huang wrote to Vice President Gore's then-Chief of Staff Jack Quinn, thanking Quinn for meeting with Shen Jueren and noting a meeting between him and Gore. Quinn had no recollection of ever meeting Shen Jueren, nor did he recall the letter from Huang.¹²⁰

B. 1993 APEC Meeting in Seattle

The Riady family was able to show off its close ties to President Clinton during the 1993 Asian Pacific Economic Cooperation ("APEC") summit in Seattle, Washington. Lippo organized a group of Indonesian businessmen to visit Little Rock, Arkansas before the summit.¹²¹ The group of Indonesians, along with James Riady, then traveled with a group of Arkansas businessmen to the APEC summit in Seattle.¹²² A sister-state agreement between Arkansas and Indonesia was to be signed at a ceremony during the APEC summit, and James Riady planned to have President Clinton and President Soeharto attend.¹²³ However, the White House staff had concerns about the President's participation in such an event, as noted in a letter from Joe Giroir to James Riady:

Mack [McLarty] and Mark Middleton indicated that it will be a determination made by the Director of National Security; and that the human rights controversy surrounding East Temor [sic] may be an impediment that will have to be overcome. I note that Doug Bufford [sic] is speaking with Bruce Lindsey about this, this week; **John Huang has spoken directly to the President and the President has indicated, in general, that he is agreeable to do it. . .**¹²⁴

Ultimately, during the 1993 APEC President Clinton did meet with President Soeharto, along with James Riady, over the objection of his staff.¹²⁵ Joe Giroir, who assisted in organizing the Indonesia delegation, noted that Bruce Lindsey was "mad" that President Clinton's attended the meeting.¹²⁶ However, Lindsey did not recall that particular Soeharto incident. He did state:

¹¹⁷ Id.

¹¹⁸ Id.

¹¹⁹ White House Document Production EOP 049490 (Exhibit 25).

¹²⁰ Deposition of Jack Quinn, Government Reform and Oversight, November 4, 1997 at 23.

¹²¹ Arkansas International Development Corporation Document Production 005381-382 (Exhibit 26).

¹²² DeQueljo Deposition at 98-99.

¹²³ Exhibit 26

¹²⁴ Id. [Emphasis added]. Exhibit 26.

¹²⁵ Giroir Deposition at 186; DeQueljo Deposition at 104-105.

¹²⁶ Giroir Deposition at 187.

I learned that there was a photo op at some time prior to us going to Tokyo [for the G-7 summit], and there was a question as to whether or not – during that photo-op they raised with the President whether or not he was going to meet with Suharto.¹²⁷

The President did meet briefly with Soeharto during a G-7 summit in Tokyo in July 1993.¹²⁸ After the Summit, President Clinton added a handwritten message in a letter to James Riady, that he had enjoyed his visit with Soeharto.¹²⁹

C. 1994 APEC Meeting in Jakarta

The 1994 APEC summit was held in Jakarta, Indonesia. James Riady initially planned to host a group of Arkansans during the summit, paying for their airfare and hotel expenses.¹³⁰ Riady and Joe Giroir drafted a list of individuals to be invited, including former Associate Attorney General Webster Hubbell, who was then under investigation by the Whitewater Independent Counsel.¹³¹

The list of invitees was sent from the Lippo Group to John Huang, who was then employed by the Commerce Department.¹³² Somehow, the White House came into possession of the list of individuals invited by James Riady to the Jakarta summit.¹³³ No one at the White House is able to recall how the memorandum arrived there. Although the logical answer is that the memo was sent by John Huang or someone from the Lippo Group to the White House; someone else may have brought it to the attention of the White House. Nevertheless, once informed of the plan, the White House staff held meetings to discuss whether it should go forward. Mack McLarty described the topic of the meetings as, “whether or not it was a good idea for this Arkansas delegation to attend the APEC conference in Indonesia.”¹³⁴

¹²⁷ Lindsey Deposition at 52.

¹²⁸ Associated Press, *Clinton, Suharto Discuss East Timor Human Rights Problems*, July 7, 1993.

¹²⁹ White House Document 930728 (Exhibit 27).

¹³⁰ Arkansas International Development Corporation (“AIDC”), a company controlled by Joe Giroir, issued invitations on his and Riady’s behalf. Arkansas International Development Corporation Document Production AIDC 005142-5143 (Exhibit 28) Exhibit 28 is representative of the invitations sent to invited individuals. Douglas Buford testified that after he received his invitation, he contacted the travel agency, which informed him that the hotel and air fare was already paid. Deposition of C. Douglas Buford, Committee on Government Reform and Oversight, Oct. 23, 1997 at 47-48; See also DeQueljo Deposition at 132.

¹³¹ White House Document Production EOP 020359 (Exhibit 29).

¹³² Exhibit 29 is dated September 21, 1994 and John Huang began working at the White House on July 18, 1994. Jose Hanna, the author of the memo, is a Lippo employee.

¹³³ Exhibit 29.

¹³⁴ White House staff attending the meetings included Mack McLarty, Bruce Lindsey, Nancy Hernreich, Marsha Scott and John Podesta. Deposition of Thomas F. “Mack” McLarty, House Government Reform and Oversight Committee, Sept. 5, 1997 at 176-178 (hereinafter “McLarty Deposition”).

Eventually the White House did intervene through Deputy Counsel Bruce Lindsey, and request that Riady cull down his list of invitees.¹³⁵ Lindsey contacted the Riadys' attorneys in Arkansas, Doug Buford and John Tisdale of Lindsey's former law firm.¹³⁶ Through a set of intermediaries, the list was shortened to only essential individuals acceptable to the White House.¹³⁷ According to Mack McLarty the issue for the White House was, "whether there would be any appearance concerns, appearance matters raised. I don't believe other states were going to have any representations [sic] there."¹³⁸ This answer was puzzling considering that the Arkansas and Indonesia delegations traveled to APEC together the prior year without incident, and there was a sister-state agreement between the two as well.

In the end, the White House prevailed, and the majority of the invitees did not attend. Bruce Lindsey wrote a memorandum to Mack McLarty and John Podesta informing them that the list had been cut back and justifying certain persons' attendance.¹³⁹ Lindsey then noted, "James Riady and his father would like to have the opportunity to visit briefly with President Clinton in the hotel during the visit. James has been reasonable in culling the list, and I think we should try to schedule a 15 minute meeting for them."¹⁴⁰

The Riadys did in fact meet with President Clinton at his hotel in Jakarta. Lindsey explained how the meeting at the hotel was scheduled:

The Riadys wanted the Clintons to go to their house, and that was not going to happen. The President was not going to go to the Riady's house while he was there. And, so, I think I said to James one time, look, the President is scheduled to leave at 6:00 to go X. Why don't you and your dad come by at ten till."¹⁴¹

¹³⁵ Lindsey Deposition at 93-96; Deposition of C. Douglas Buford, Government Reform and Oversight Committee, Oct. 23, 1997 at 10, 45, 59 [hereinafter Buford Deposition].

¹³⁶ Lindsey Deposition at 93-96; Buford Deposition at 10, 45, 59.

¹³⁷ Buford testified that Lindsey contacted him about the list, and in turn, Buford contacted Joe Giroir. Eventually, Joe Giroir called Buford back with a shorter list. Buford communicated that list to Lindsey. Lindsey Deposition at 93-96; Buford Deposition at 10, 45, 59.

¹³⁸ McLarty also testified that at some point John Podesta may have also raised some concerns about Webster Hubbell attending: "... might raise an appearance issue that would be reported on by the press." McLarty Deposition at 176-178.

¹³⁹ The memo notes that Lindsey spoke with John Tisdale and Doug Buford about APEC. White House Document Production EOP 030679 (Exhibit 30). Buford testified that he wanted to attend APEC, and explained his conversation with Lindsey:

A: ... we talked about that and whether it was a good idea for me to go in my capacity as a chamber representative, you know, and he eventually said no."

Q: He asked you not to go?

A: Yes.

Buford Deposition at 47.

¹⁴⁰ Exhibit 30

¹⁴¹ Lindsey Deposition at 103, 105.

Lindsey stated there was no discussion of policy, “[i]t was just, ‘Hello. How are you?’ And then they said a prayer. . . they talked about old times, you know, about when they had met before . . .”¹⁴² Regardless of the content of the discussion, as the Committee is unable to question the other attendees of the meeting, the fact that the Riadys were able to meet privately with the United States President at all during the trip and the amount of time the White House staff spent negotiating some sort of APEC deal with them, is notable. In addition, the meeting with the President in Jakarta was not an isolated incident. The Riady family was granted meetings with other high level officials in the administration who were traveling abroad, where policy issues more than likely were discussed.

D. Meetings with Administration Officials

In February 1994, James Riady hosted a luncheon for Commerce Department officials traveling in Indonesia to promote the U.S.-ASEAN Alliance for Mutual Growth.¹⁴³ The luncheon attendees included Commerce Undersecretary Jeffrey Garten and Deputy Undersecretary David Rothkopf, who would later be John Huang’s superiors in the International Trade Administration at Commerce.¹⁴⁴ Rothkopf was unable to recall who at the Commerce Department had organized the luncheon, which was held at James Riady’s home.¹⁴⁵ However, Rothkopf recalled that Melinda Yee, a good friend of John Huang and the Riady family, did attend the luncheon as well.¹⁴⁶ Melinda Yee invoked her Fifth Amendment rights against self-incrimination and is not cooperating in the Committee’s investigation. Ms. Yee had assisted in organizing a Commerce Department contract signing ceremony with the Lippo Group and its American joint venture partner.

Along with Melinda Yee, John Huang and Lippo consultant Joe Giroir played a major role in the Lippo contract’s inclusion in the signing ceremony.¹⁴⁷ Soon after Huang arrived at Commerce, he organized a lunch with Joe Giroir, and Commerce Department employees Melinda Yee and Nancy Linn Patton.¹⁴⁸ Yee and Linn Patton were both working on the upcoming Commerce Department Trade Mission to the Asian region led by Secretary Ron Brown. While at the lunch, either Huang or Giroir brought up the subject of the signing ceremonies in China which would be held during the trade

¹⁴² Lindsey Deposition at 103, 105.

¹⁴³ Event Scenario and Talking Points for Riady Lunch, February 25, 1994, Commerce Department Document Production, unnumbered (Exhibit 31).

¹⁴⁴ While at Commerce Huang worked directly under Chuck Meissner, the Assistant Secretary for International Economic Policy at the International Trade Administration. Meissner, in turn, reported to Rothkopf and Garten.

¹⁴⁵ Deposition of David J. Rothkopf, Senate Committee on Governmental Affairs, June 2, 1997 at 20 (hereinafter “Rothkopf Deposition”).

¹⁴⁶ Id. at 21-22.

¹⁴⁷ Giroir Deposition at 59-61.

¹⁴⁸ Giroir Deposition at 59-61.

mission.¹⁴⁹ Fortuitously, the Lippo Group and its American partner were ready to close a contract with the North China Power Group at the time that the trade mission was to go forward.¹⁵⁰ Giroir testified that Yee suggested he talk to Deputy Undersecretary David Rothkopf about the signing ceremony, and that it was Rothkopf who later requested that Lippo participate in the ceremony with Secretary Brown.¹⁵¹ However, Rothkopf testified that he did not know Joe Giroir.¹⁵² Nevertheless, in August 1994, Secretary Brown personally traveled to the region, where he attended the Beijing signing ceremony involving the Lippo Group joint venture.¹⁵³

Riady was involved in other events held abroad with Cabinet level officials as well. For instance, in June 1996, Riady sat at the head table with then-Secretary of Commerce Mickey Kantor at a dinner hosted by the American Chamber of Commerce in Indonesia.¹⁵⁴ During a deposition with the Committee, Mr. Kantor did not recall the June 1996 dinner with James Riady.¹⁵⁵ However, he did recall a dinner during the 1994 Jakarta APEC Summit at which he sat next to James Riady.¹⁵⁶ At that time, Kantor was the United States Trade Representative (USTR).

The Riadys also had an interest in the USTR's policies. In 1994 the Administration, through USTR, was deciding whether to renew a special trade status for Indonesia which eliminated tariffs on industrial goods it exported. The trade status was renewed even though the Soeharto government of Indonesia had an abysmal record in workers' rights. Many in the media later questioned the Riady family's motives in seeking meetings with USTR officials at the time the decision was being made.¹⁵⁷ The Administration insisted that then-Ambassador Kantor declined Riady's requests for a meeting during the crucial decision making period.¹⁵⁸ However, the USTR Director for Southeast Asia Joseph Damond did meet with Riady in Jakarta.¹⁵⁹ Mr. Damond described Riady's role in the USTR's negotiations as a "cultural intermediary."¹⁶⁰ His role still does

¹⁴⁹ A signing ceremony is an event held during trade missions which highlight contracts made between U.S. corporations and businesses of the host country. They generally are promotional for the businesses involved. Id.

¹⁵⁰ Id.

¹⁵¹ Id.

¹⁵² Rothkopf Deposition at 61.

¹⁵³ The signing ceremony was for the Datong power plant project in China and the principles were the Lippo Group, Entergy Corporation and North China Power Group. The estimated value of the project was \$1 billion dollars. Arkansas International Development Corporation Document Production AIDC 003888-3890 (Exhibit 32).

¹⁵⁴ Memo to Jennifer Tate from Carol Walker, Executive Director AmCham Indonesia, June 26, 1996, Commerce Department Document Production, unnumbered (Exhibit 33).

¹⁵⁵ Deposition of Michael Kantor, House Government Reform and Oversight Committee, August 8, 1997 at 112-113 (hereinafter "Kantor Deposition").

¹⁵⁶ Id.

¹⁵⁷ David E. Sanger, *Administration Moves to Defend Indonesia Policy After Criticism*, NYT October 17, 1996 at A1.

¹⁵⁸ Id.

¹⁵⁹ Id.

¹⁶⁰ Id.

not explain why a copy of a letter to Mickey Kantor, United States Trade Representative, from the Indonesian Ambassador to the United States regarding Indonesia's trade status was produced from Hip Hing Holding's files.¹⁶¹

The special meetings and dinners with the President and other high level officials in the Administration put the Riady family in a better position in Indonesia. For instance, surely the Riadys stance with Indonesian President Soeharto grew when James Riady was able to organize a meeting between Clinton and Soeharto; something the Indonesian government appeared unable to do on its own. Even the appearance of favor with the U.S. government would assist Riady. The Riady family was able to curry favor with the Indonesian government by demonstrating their political connections to the United States government.¹⁶² During President Soeharto's reign, being in favor with the Soeharto government meant much more than any amount of money Riady contributed towards Bill Clinton's presidency.

V. 1996 ELECTIONS AND CONTACTS WITH THE DNC

A. Huang's Move from Commerce to the DNC

In July 1994, John Huang was appointed Principal Deputy Assistant Secretary at the Department of Commerce. However, after little over a year at the Commerce Department, Huang wanted to move to the DNC as a fundraiser.¹⁶³ Joe Giroir and Mark Middleton, both Lippo consultants, approached several DNC officials on behalf of Huang.¹⁶⁴ Giroir and Middleton contacted DNC Chairman Don Fowler, and finance officials including, Truman Arnold, Marvin Rosen, and, Richard Sullivan.¹⁶⁵ Even James Riady met with Don Fowler, and advocated the idea of John Huang raising money for the DNC.¹⁶⁶ There was some confusion about whether Huang attended the meeting as well. Sullivan and Fowler recalled that John Huang was present, whereas, Joe Giroir stated that Huang was not there.¹⁶⁷ In the meeting between Riady and Fowler, Giroir described their idea for an Asian American fundraising effort:

¹⁶¹ Hip Hing Holdings Document Production HHH 3585-3596 (Exhibit 34).

¹⁶² The Riady family is ethnic-Chinese, rather than native Indonesian or "Javanese." The family patriarch Mochtar Riady found it necessary to "Indonesianize" his name, Li Mo Tie, in order to comply with strong government pressure to eliminate all symbolism relating to China, a Communist country. In Indonesia, the ethnic-Chinese historically have been considered somewhat suspect. During the late 1960's and early 1970's there were periods of violence against ethnic-Chinese, with thousands disappearing in Indonesia.

¹⁶³ The circumstances of Huang's move from Commerce to the DNC was covered extensively in the Senate Report, and will not be repeated here. Final Report of the Committee on Governmental Affairs, S. Doc. No. 167, 105th Cong., 2d Sess. 1655 (1998)

¹⁶⁴ Deposition of Richard Sullivan, Senate Committee on Governmental Affairs, June 4, 1997 at 217 (hereinafter "Sullivan Senate Deposition"); Giroir Senate Deposition at 77-78, 93-104.

¹⁶⁵ Sullivan Senate Deposition at 217; Giroir Senate Deposition at 77-78, 93-104.

¹⁶⁶ Giroir Senate Deposition at 94.

¹⁶⁷ Sullivan Senate Deposition at 241; Deposition of Donald Fowler, Senate Committee on Governmental Affairs, at 186; Giroir Senate Deposition at 135.

I re-expressed my view that there was a reservoir of support in the Asian-American community, votes as well as financial support, and that if they would focus their attention on that reservoir, that it would be beneficial to the Democratic Party. . . . And then I think James probably seconded my idea from his point of view, having been an Asian American, having resided in Los Angeles, having voted here, having been involved in the political process here, and knowing intimately the Asian community as well as the Asian attitude as well as the Asian propensities.¹⁶⁸

Giroir's statement about Riady's insight into the American political system is not entirely accurate. Although Riady could be described as Asian, he was never an Asian American. As Riady has never been a U.S. citizen, he never legally has voted in the United States. However, Giroir was accurate in that for some reason, James Riady was active in the U.S. political process. Nevertheless, after sharing their ideas with DNC Chairman Fowler, Giroir and Riady placed their recommendation for John Huang as the most qualified individual to run such an Asian fundraising campaign.¹⁶⁹

Unfortunately, the group had little luck garnering support or interest at the DNC, and subsequently Huang, James Riady, and Joe Giroir visited with the President. On September 13, 1995, Riady, Huang, and Joe Giroir met with President Clinton and Deputy Counsel to the President Bruce Lindsey. Lindsey testified that the group generally discussed family and, "[a]t some point in the conversation, I believe John said something like, you know, maybe I could be of more help at the DNC than at Commerce."¹⁷⁰ Lindsey, who confirmed Huang's interest in a later meeting, passed the request along to Harold Ickes.¹⁷¹

Harold Ickes recalled that both Lindsey and the President told him about John Huang. President Clinton took it upon himself to bring the subject of Huang up with Ickes, who coordinated campaign activities through the White House:

[T]he President, had recently spoken to John Huang, that Huang had indicated that he very much wanted to help in the President's re-election effort, that he worked in the election effort in '92, and was prepared to go to work at the DNC or the Re-Elect, wherever the President or any of his people felt he could be best used, and would help not only in raising money but, as importantly, in what we call in the campaign

¹⁶⁸ Id. at 97.

¹⁶⁹ Id. at 98.

¹⁷⁰ Deposition of Bruce R. Lindsey, House Government Reform and Oversight Committee, September 8, 1997 at 167 (hereinafter "Lindsey Deposition").

¹⁷¹ Ickes, then-Deputy Chief of Staff, handled most of the campaign related matters from the White House. Lindsey testified that once he brought the matter to Ickes' attention, Lindsey was no longer involved. Lindsey Deposition at 167.

business outreach to especially Asian Americans and especially in California.

The President asked me if I would--what I thought of that. It sounded fine to me. And the President asked me to follow up on it with John Huang, which I did, and I called him and had a meeting with him, and he subsequently left the Commerce Department and went over to work at the DNC.¹⁷²

Huang, who met with Ickes on October 2, 1995, was prepared to work at either the DNC or the Clinton/Gore Re-elect, whatever Ickes thought was best.¹⁷³ Ultimately, Ickes recommended that Huang work at the DNC and contacted Marvin Rosen and Don Fowler.¹⁷⁴ Huang's application still did not move forward until the President personally mentioned Huang to the head of DNC fundraising, Marvin Rosen, at a November 8, 1995 fundraiser.¹⁷⁵ By December 1995, Huang was working at the DNC.

B. Huang's Fundraising Activities at the DNC and Riady's Involvement

Huang organized numerous events while he was employed by the DNC, raising \$3,422,850.¹⁷⁶ Out of the total amount raised by Huang, approximately \$1.7 million was returned by the DNC.¹⁷⁷ DNC Finance Chairman Marvin Rosen and Director Richard Sullivan both had concerns about Huang's fundraising in July 1996, and agreed not to allow him to individually organize any fundraisers involving the President.¹⁷⁸ The catalyst to that decision was a fundraising dinner organized by John Huang on July 30, 1996, which featured James Riady.

Although there is no Federal Elections Commission records of James Riady contributing to the DNC in 1994 and 1996, Riady continued to attend fundraisers and other DNC events which usually would generate contributions in that election cycle. For example, internal DNC memoranda show that James Riady was on a list of invitees to a DNC Business Leadership Forum ("BLF") event at the White House held on June 21, 1994.¹⁷⁹ The memorandum lists Riady as a current BLF member, and describes him as,

¹⁷² Deposition of Harold Ickes, Senate Governmental Affairs Committee, June 26, 1997 at 115-116 (hereinafter "Ickes Deposition").

¹⁷³ Ickes Deposition at 117-118.

¹⁷⁴ Rosen recalled that Ickes called and asked Rosen to interview Huang. Deposition of Marvin Rosen, Senate Governmental Affairs, May 19, 1997 at 137 (hereinafter "Rosen Deposition"); Ickes Deposition at 117-118, 127.

¹⁷⁵ Rosen Deposition at 137; Sullivan Senate Deposition at 222; Don Van Atta, *President Is Linked to Urgent Enlisting of Top Fundraiser*, N.Y. Times, July 7, 1997, at A1.

¹⁷⁶ DNC In-Depth Contribution Review as of February 28, 1997 (Exhibit 35).

¹⁷⁷ The contributions listed in Exhibit 35, were not returned by the DNC until June 1997, subsequently additional illegal or inappropriate contributions credited to Huang were returned by the DNC. Exhibit 35.

¹⁷⁸ Deposition of Richard Sullivan, Senate Governmental Affairs Committee, June 5, 1997 at 60, 70, 73 (hereinafter "Sullivan Senate Deposition 2").

¹⁷⁹ DNC Document Production DNC 1276431-433 (DNC Memorandum from David Mercer to Richard Sullivan and Fran Wakem, June 11, 1994).

“FOB [Friend of Bill]; Former President Wortham [sic] Bank in Little Rock; Clinton/DNC donor through John Huang; Huang requested his invitation and that we send it to Huang’s address.” James Riady and Huang did attend the BLF reception at the White House, after they met with then-Special Assistant to the President Mark Middleton, who also attended the reception.¹⁸⁰

In 1996 James Riady appears on a DNC “commit list” for \$15,000 in coordination with a June 10, 1996 fundraising dinner at the home of Lew and Edie Wasserman in Los Angeles.¹⁸¹ Later in 1996, DNC Chairman Don Fowler wrote a thank you letter to James Riady, addressed to Indonesia, which stated:

Thank you very much for sending me the basket of fruit and snacks. It was a wonderful surprise, and I greatly enjoyed its contents.

Your friendship is tremendously important to me in this crucial time. As you know, all of us are working diligently to bring about a huge Democratic victory in November, and your gift reminded me of the support of good Democrats for these efforts.¹⁸²

Fowler was surely aware that James Riady was not a U.S. citizen and did not live in the U.S., thereby making him ineligible to contribute to the DNC.

Subsequently, a September 18, 1996 form letter from Fowler to Riady was written, thanking Riady for his participation in the recent DNC dinner with the President. The letter noted, “Your support enables us to continue assisting the Administration in achieving its ambitious agenda. On behalf of the DNC, I am sincerely grateful for your work.”¹⁸³ Although the second letter appears to be a form thank you letter, one normally does not get a thank you letter unless he has contributed.

1. July 30, 1996 Jefferson Hotel Dinner with James Riady

On July 30, 1996, Huang organized an intimate gathering of four wealthy businessmen, their families, and President Clinton. Three of the wealthy businessmen were not American citizens, and all four lived in Asia. Included in the group was Huang’s former employer, James Riady.¹⁸⁴ Also attending were Eugene Wu,¹⁸⁵ Chairman of the

¹⁸⁰ White House Document EOP 055316-318 (WAVES of James Riady); EOP 004522-526 (WAVES of John Huang).

¹⁸¹ DNC Document Production DNC 3088330-334 (DNC Commit List for June 10, 1996, Dinner at the Wasserman Residence, June 3, 1996).

¹⁸² DNC Document Production DNC 1728039 (Exhibit 36).

¹⁸³ DNC Document Production F 0040618.

¹⁸⁴ DNC Document Production DNC 4346984-986 (Exhibit 37); See Photo-Op Inc. Document Production LG 51-52 (photos of James and Aileen Riady with President Clinton at the Jefferson Hotel on July 30, 1996) (Exhibit 38) (Exhibit 39).

¹⁸⁵ Photo-Op Inc. Document Production LG 46 (photo of Eugene Wu with President Clinton at the Jefferson Hotel on July 30, 1996) (Exhibit 40).

Shinkong Group in Taiwan; James Lin,¹⁸⁶ Chairman of Ennead Inc. in Taiwan; and, Ken Hsui,¹⁸⁷ an executive at Prince Motors and Cosmos Bank in Taiwan.¹⁸⁸ Ken Hsui, who contributed \$150,000 towards the event, is the only U.S. citizen in the group of dinner attendees.¹⁸⁹

DNC Finance Director Richard Sullivan testified to his reaction when he first saw the prospective list of attendees for the dinner, “[a]s I recall, I expressed some dismay.”¹⁹⁰ However, as there was no time to organize a new dinner, the dinner Huang organized went forward.¹⁹¹ The list of attendees was sent to the White House, and was approved.¹⁹² Sullivan and Rosen had two central problems with the July 30, 1996 fundraiser:

Number one, John is not living up to what he had voluntarily come to us and said he could do. We have been giving him these events.

Number two, we are not all that pleased with the fact that he put a couple of foreign nationals into a small dinner with the President. Let me make this clear. The possible – we were not happy with that, you know, because of the possible perception. The press has made a big deal about, oh, you know, why did you have them in when you knew you weren’t going to get money from them. Well we were just worried about the perception.¹⁹³

A strong indicator of their concerns is that Huang was barred from organizing Presidential events after the Jefferson dinner with Riady.

¹⁸⁶ Photo-Op Inc. Document Production LG 47 (photo of James Lin with President Clinton at the Jefferson Hotel on July 30, 1996) (Exhibit 41).

¹⁸⁷ Photo-Op Inc. Document Production LG 49-50 (photos of Ken Hsui with President Clinton at the Jefferson Hotel on July 30, 1996) (Exhibit 42) (Exhibit 43).

¹⁸⁸ Eugene Wu’s Shinkong Group is a conglomerate in Taiwan dealing in life insurance, energy, manufacturing, equipment leasing, construction, agriculture, computers, security, plastics firms, a department store and bank. Wu is married to the sister of one of the other guests, James Lin. James Lin’s Ennead is a construction firm, which built many of the structures owned by the Shinkong Group. Lin is also a co-founder of a California company which was fined \$41,000 in 1995 for laundering campaign funds to Los Angeles City Council Candidates. Lin is also a member of the National Assembly in Taiwan. The third attendee from Taiwan, Ken Hsui, runs several family businesses in Taiwan, including Prince Motors, a mid-sized manufacturer of vehicle parts. Hsui, a U.S. citizen, is married to Eugene Wu’s sister. Although Hsui maintains an apartment in Beverly Hills, he visits the United States only once or twice a year. The building manager of Hsui’s condominium complex told investigators that Hsui lives in Taiwan but maintains an apartment in the building for his visits to the United States. Interview of Gary Thomas, August 15, 1997; John Huang Document Production 001290-1294 (Exhibit 44); Judy Keen, Judi Hasson & Tom Squitieri, *Dinner Raised \$488,00 – and Questions*, USA Today February 7, 1997 at A4.

¹⁸⁹ DNC Document Production DNC 3686958 (check tracking form for Sen Jong “Ken” Hsui) (Exhibit 45).

¹⁹⁰ Sullivan Senate Deposition 2 at 67.

¹⁹¹ Id.

¹⁹² Id. at 67-68.

¹⁹³ Id. at 73.

Once at the event, the attendees all had their pictures taken with the President. Generally the topic of fundraising is brought up at events where money is supposed to be raised. Although the event was videotaped by the White House Communications Agency, not all of the remarks were covered.¹⁹⁴ The President did speak about the next APEC meeting and his decision to send U.S. Air Force carriers to the Taiwan straits.¹⁹⁵ The issue was important to the Taiwanese, who were threatened by China's "missile testing" directed towards Taiwan.

The dinner organized by Huang appeared to be a favor for James Riady.¹⁹⁶ Huang, although no longer working for Lippo, rented a limousine and picked up the Riadys at National Airport; the bill was charged to the Lippo Group at the Los Angeles address.¹⁹⁷ It is unusual for a DNC fundraiser to go to such lengths for someone who is unable to contribute. In addition, the three businessmen who attended the dinner were a group of the wealthiest men in Taiwan and perhaps prospective or current business partners.¹⁹⁸ Unfortunately Hsui, a U.S. citizen, Lin, and Wu all declined requests for meetings in Taiwan with Committee staff and James Riady has refused to cooperate with investigators.

2. "The Indonesian Gardener:" Huang's Relationship to the Wiriadinatas

Huang, a prodigious fundraiser, may have been raising money for the DNC even before he left the Commerce Department. The most egregious example is that of Arief and Soraya Wiriadinata, an Indonesian couple with strong ties to the Lippo Group, who contributed \$450,000 to the DNC in the 1996 election cycle.¹⁹⁹ Soraya Wiriadinata is the daughter of the late business partner of Mochtar Riady, Hashim Ning.²⁰⁰ Her husband, Arief Wiriadinata, is a "landscape engineer" who was soon dubbed a gardener in press reports about the Wiriadinatas' contributions.

The Wiriadinata's first contribution, totaling \$30,000 was given on November 9, 1995, while Huang was still at Commerce.²⁰¹ The November contribution was credited to

¹⁹⁴ White House Production Tape 18 (White House Communications Agency Tape of July 30, 1996 dinner at the Jefferson Hotel).

¹⁹⁵ Id.

¹⁹⁶ Earlier that evening, James Riady attended an additional fundraiser with the President the same evening as the Jefferson Hotel dinner. Huang, Riady, and the President all attended a fundraiser for Winston Bryant, Senatorial candidate from Arkansas, held at the Hay Adams Hotel that same evening. White House Document Production EOP 008591 (Letter to James Riady from Mack McLarty, August 2, 1996) (Exhibit 46); EOP 044706-712 (Schedule of the President for Tuesday, July 30, 1996 - Final).

¹⁹⁷ Hip Hing Holdings Document Production HHH 4760 (Exhibit 47).

¹⁹⁸ Riady had earlier arranged, through John Huang, for a White House tour for the Hsui family. Huang accompanied them on the July 20, 1993 tour. Hip Hing Holdings Document Production HHH 4736-4737 (Exhibit 48).

¹⁹⁹ See DNC Document Production DNC 1684087 (answers of John Huang to questions posed by *Newsweek*) (Exhibit 49); DNC Document Production DNC 3152284-286 (DNC Finance Executive Summary on Arief and Soraya Wiriadinata) (Exhibit 50).

²⁰⁰ Exhibit 49.

²⁰¹ Exhibit 50.

John Huang's wife, Jane, and DNC fundraiser David Mercer.²⁰² In return for their November contribution, the Wiriadinatas, accompanied by then-Commerce employee Huang, attended a DNC fundraiser for Vice President Al Gore.²⁰³ All subsequent contributions, made after Huang left Commerce, were credited to John Huang.²⁰⁴

In addition to issues about the timing of the first contribution, the funds used to contribute to the DNC by the Wiriadinatas came from Lippo co-founder Hashim Ning in Indonesia.²⁰⁵ The Wiriadinatas explained that they contributed to the DNC because of a kind gesture on the part of President Clinton. Hashim Ning was traveling in the United States in June 1995, when he fell ill and was hospitalized.²⁰⁶ James Riady and Huang asked Mark Middleton to secure a get well note from President Clinton.²⁰⁷ The President did in fact send two letters to Mr. Ning: one delivered in person by Mark Middleton; and, the second, addressed to Mr. Ning in Indonesia, was sent through Mark Middleton.²⁰⁸

The November contribution was the first in a long line of contributions by the Wiriadinatas. They again donated to the DNC in December, and on December 15, 1995, Arief Wiriadinata attended a DNC fundraising coffee at the White House. The beginning of the coffee was videotaped, as President Clinton walked around the room greeting all of his guests. When the President came to Wiriadinata, he grasped the President's hand and said, "James Riady sent me."²⁰⁹ The President responded, "Yes. I'm glad to see you. Thank you for being here."²¹⁰ Wiriadinata's comment about James Riady should have raised some concerns about the contributions he gave.

In addition, the Wiriadinatas moved back to Indonesia, and sent many of their checks from abroad. At a November 13, 1996 press conference, DNC Chairman Don Fowler insisted that the Wiriadinata's \$450,000 in contributions had been thoroughly reviewed and was legal.²¹¹ Yet only ten days later the DNC announced that it would

²⁰² Id.

²⁰³ Photo-Op Document Production LG 4-6 (photographs of Arief and Soraya Wiriadinata with Vice President Gore and DNC Chairman Don Fowler at November 2, 1995 event; photograph of John Huang with Vice President Gore at November 2, 1995 DNC event) (Exhibit 51) (Exhibit 52) (Exhibit 53).

²⁰⁴ Exhibit 50.

²⁰⁵ The Wiriadinatas set up two bank accounts, one for Soraya and one for Arief. The only funds in the accounts were wired in early November from Hashim Ning. The Wiriadinatas used that account to write all their contributions. November 3, 1995, wire transfer from Hashim Ning to Soraya Wiriadinata, in the amount of \$250,000 (Exhibit 54); November 7, 1995, wire transfer from Hashim Ning to Arief Wiriadinata, in the amount of \$250,000 (Exhibit 55).

²⁰⁶ Exhibit 49

²⁰⁷ Middleton asked his former assistant at the White House, Yusuf Khapra, to get the letter. Khapra was then working as an assistant in the Deputy Chief of Staff's office. See Deposition of Yusuf Khapra, Government Reform and Oversight Committee, August 12, 1997 at 82-83 (hereinafter "Khapra Deposition").

²⁰⁸ DNC Document Production F 0033816 (Exhibit 56); DNC 1227206 (Exhibit 57).

²⁰⁹ White House Communications Agency videotape of the December 15, 1995 DNC coffee.

²¹⁰ Id.

²¹¹ Ruth Marcus, *DNC Official Concedes Mistakes of Process*, Washington Post, Nov. 13, 1996.

return the Wiriadinata contributions as they had failed to file 1995 tax returns and had returned to Indonesia.²¹²

3. Donors and Events Related to Huang

There were other circumstances where DNC and White House staff, or even the President himself, should have realized that there was something wrong with the fundraising events. Huang put together events attended by numerous foreign nationals, where it was even noted by DNC officials that in many instances, guests did not speak any English.

a. February 19, 1996

John Huang's first major event as a DNC fundraiser was a February 19, 1996 Asian Pacific American event attended by the President. He was assisted in the fundraising by Charlie Trie, many of whose contributions and solicitations have also been established as illegal or inappropriate.²¹³ Although Huang raised \$706,000 from the event, at least \$200,000 of that has already been returned by the DNC.²¹⁴ In addition, there are several other contributions related to the event, which the Committee has determined should also be returned.²¹⁵ The dinner was the first part of a two day event for approximately 80-100 Asian Pacific American donors from across the United States, including a breakfast with Vice President Gore the next day.²¹⁶

In the February 19, 1996 event briefing memorandum for the President, John Huang points out that immigration policy was one of the most important issues to the Asian Pacific American community.²¹⁷ Included in the memo was an outline of which immigration policies the Asian Pacific American community supported, including one of the most important, the "sibling preference" category for immigration.²¹⁸ At the time of the event, President Clinton was on the record as against the sibling preference.²¹⁹ However, one month later, in an unprecedented shift of opinion, Clinton supported the preference.²²⁰

²¹² Alan C. Miller, *Democrats Give Back More Disputed Money*, LA Times, Nov. 23, 1996.

²¹³ For a more detailed analysis of Charlie Trie, see Charlie Trie Chapter.

²¹⁴ The Committee has created a chart of contributions based on DNC check tracking forms related to the February 19, 1996 Hay Adams Fundraiser (Exhibit 58).

²¹⁵ See generally Chapter 3.

²¹⁶ DNC Document Production DNC 1579590-600 (briefing memo for President Clinton written by John Huang).

²¹⁷ DNC Document Production DNC 1579590-600 (briefing memo for President Clinton written by John Huang).

²¹⁸ Id.

²¹⁹ Michael Kranish, *Clinton Policy Shift Followed Asian-American Fund-Raiser*, Boston Globe, Jan. 16, 1997, at A1.

²²⁰ Id.

Another troubling aspect of the event was the attendance of Doris Meissner, Commissioner of the Immigration and Naturalization Service. Doris Meissner sat at the same table as Maria Hsia, who worked with Huang on other fundraising events.²²¹ Briefing papers for the President underline the importance of Meissner's attendance at this event as immigration and naturalization was a top priority for the Asian Pacific American community.²²²

The briefing memo on the event notes, "[p]articipants of APALC dinner have each donated a minimum of \$12,500 to the Democratic National Committee."²²³ However, there were a number of foreign nationals at the February 19, 1996 event. At least five foreign nationals who were unable to contribute to the event sat at the head table with the President.²²⁴ In his remarks at the event, the President appeared to make a reference to the fact that many people may not be familiar with the U.S. holiday, President's Day: "It was quite a wonderful thing for me to come here on what we in the United States now call President's Day and have people say, 'Happy New Year and Happy President's Day,' at the same time."²²⁵ President Clinton, explaining that it was President's Day, referred to the fact that it fell on the Chinese New Year. President Clinton also praised John Huang's fundraising efforts:

I am virtually overwhelmed by this event tonight. I should have learned by now, I have known John Huang a very long time. At least to be as young as we are, we have known each other a long time. And when he told me this event was going to unfold as it has tonight, I wasn't quite sure I believed him, but he had never told me anything that didn't come to pass, and all of you have made it possible and I want you to know I am very grateful to you.²²⁶

b. May 13, 1996

Likewise, during a May 13, 1996 fundraiser arranged by Huang and Charlie Trie, President Clinton again addressed the large number of foreign nationals attending the event at the Sheraton Carlton: "I say to the Asian American community here – **and to those who come from other countries to be with us here tonight** – the United States is very grateful for the people who have come from the Asian Pacific region, who have made our country their home."²²⁷ Among the group of foreign nationals was a high ranking

²²¹ Photographs of Hay Adams event, February 19, 1996.

²²² Briefing for the President of the United States, February 19, 1996, DNC 1579590.

²²³ DNC Document Production DNC 1579590-600 (briefing memo for President Clinton written by John Huang).

²²⁴ Sitting at the head table was: Nina Wang, Ted Sioeng, Kwai Fai Li, Pauline Kanchanalak, and Ng Lap Seng. White House Document Production EOP 058577-580 (Exhibit 59).

²²⁵ White House Communications Agency videotape of the February 19, 1996 Hay Adams fundraiser, Tape 5.

²²⁶ Id.

²²⁷ White House Communications Agency videotape of the May 13, 1996 Sheraton Carlton event, Tape 6 [Emphasis added].

executive at the Lippo Group, Roy Tirtadji.²²⁸ Giroir had contributed \$100,000 towards the event so that he and approximately 20 others, including Tirtadji, could attend.²²⁹ However, Tirtadji, and not Joe Giroir, sat at the head table with the President.²³⁰

Half of the guests seated with President at this event were foreign citizens. The President only sat at the head table for about 15 minutes. According to one witness who sat at the head table at this event, during the time the President sat at the table, either no one wanted to speak, or could not speak English. Therefore, this witness, Jitu Somaya, then struck up small talk with the President to fill the time.²³¹ In fact, the event contained so many foreign nationals that it provoked concern among one Democratic official who said, “. . . I hope people are checking this one out. It was peculiar. There were a lot of people who didn’t speak English or spoke very, very poor English.”²³² The Committee has not found any evidence of similar concerns at the White House. President Clinton again singled out Huang and Charlie Trie for praise in front of the donors they solicited. He did so for good reason. The event was slated to raise \$500,000,²³³ but documents provided to the Committee show that \$577,000 was raised from only 23 different donors.²³⁴

c. July 22, 1996

Huang also organized a July 22, 1996 fundraising dinner held in Century City, California. For all of his hard work, Huang earned the praise of President Clinton in front of the constituency Huang needed to impress the most. Although Huang fell short of the \$1 million goal, President Clinton said, “And I’d like to thank my longtime friend, John Huang . . . Frankly he’s been so effective, I was amazed that you were all cheering for him tonight after he’s been around, his aggressive efforts to help our cause.”²³⁵

DNC Chairman Don Fowler revealed that President Clinton’s remarks about Huang were not meant as a recognition of Huang’s hard work, but instead, “It was a laying of his hands on John’s head . . . The president was saying “He’s my friend; he’s a

²²⁸ Giroir Deposition at 154.

²²⁹ Id.

²³⁰ Also at the head table were Nina Wang, a foreign national unable to contribute, and Mark Jimenez, who was recently indicted by the Justice Department for among other things, conduit contributions. DNC Document Production DNC 1604073 (seating list for the head table at the May 13, 1996 Sheraton Carlton event).

²³¹ Memorandum of Interview of Jitu Somaya, April 21, 1998, at 2-3.

²³² *Los Angeles Times*, December 21, 1997, at A1.

²³³ DNC Finance Summary for May 1996 Events, F 0046523.

²³⁴ It is not clear how many individuals attended this event as the DNC never produced a full list of attendees. From a partial list, at least 132 people attended. DNC Document Production DNC 3341365-367; see generally Check tracking forms attributed to the May 13, 1996 event at the Carlton Hotel.

²³⁵ White House Communications Agency videotape 17, July 22, 1996. The Committee has been unable to determine the total amount raised for this event. Based on check tracking forms supplied to the Committee by the DNC, the amount raised was around \$400,000. Another source listed the amount raised as \$700,000. *Los Angeles Times*, December 21, 1997 at A1.

good guy.” He was creating a connection. It was a way of indirectly soliciting the guests.”²³⁶

James and Aileen Riady attended the event, which was shortly before the intimate Jefferson Hotel gathering in Washington, D.C.²³⁷ James Riady’s company, LippoBank or the Lippo Group, also had a table at the event.²³⁸ Sitting next to the President at the head table were two foreign nationals, James Riady and Ted Sioeng, neither of whom were legally able to contribute to the event.²³⁹ Several of the Asian Americans at the dinner commented on the attendees, noting that “they could not recall seeing so many people from the People’s Republic of China at such an event.”²⁴⁰

Apparently Huang, desperate to fill the event, asked Jessica Elnitiarta, Sieong’s daughter, to bring as many people as she could.²⁴¹ She made the largest contribution of the event, \$50,000, earned her father a seat next to the President and brought 48 other friends to the event. According to DNC fundraiser Chong Lo, a large group of Taiwanese government officials and businessman also attended this event.²⁴² This delegation originally was scheduled to attend an event the next day in San Francisco organized by the Lotus Fund. However, Charlie Trie and John Huang intervened and persuaded Norman Young, Vice Chairman of the Lotus Fund, to have the delegation attend the event in Century City instead.²⁴³ This delegation’s political contribution allegedly came from Taiwan through California National Bank in San Francisco.²⁴⁴ The Committee has not been able to identify the Taiwanese government officials or businessmen who attended the event.

Generally, the fundraisers organized by Huang should have raised concerns among the DNC hierarchy. Many of Huang’s events were attended by individuals who were not able to speak English, or were widely known to be foreign nationals. In particular, the President and senior levels of the DNC and White House knew that James Riady was not a U.S. citizen and that he did not live in the United States. Another example is Nina Wang, who sat at the head table with the President during at least two events, and attended several others. It is widely known that Ms. Wang is a billionaire from Hong Kong. However, she and other foreign nationals were able to attend fund raising events with the President of the United States, and no issues of impropriety were ever raised by White House officials.

²³⁶ Id.

²³⁷ DNC Document Production F 0046458-463 (List of names for Win ’96 Badges at the July 22, 1996 Century City event).

²³⁸ Deposition of Harold Arthur, Senate Committee on Governmental Affairs, April 25, 1997, at 26-28.

²³⁹ Exhibit 60; See Chapter on Ted Sieong for further discussion.

²⁴⁰ David Willman, Allan C. Miller & Glenn F. Bunting, *What Clinton Knew: How a Push for New Fund-Raising Led to Foreign Access, Bad Money and Questionable Ties*, L.A. Times, Dec. 21, 1997, at A1.

²⁴¹ Senate Committee on Governmental Affairs report at 970.

²⁴² Statement of Chong Lo.

²⁴³ Statement of Chong Lo.

²⁴⁴ Id.

CONCLUSION

The Riady family, as foreign nationals, had unprecedented access to President Clinton and the highest levels of his administration. Although the family knew then-Governor Clinton in Arkansas, there is no indication that they were the best of friends. In fact, the bulk of the Riadys contributions came after Clinton had won the primary in 1992, and it appeared that he had a strong chance of winning the presidency with enough financial support. Significant questions remain, among others: why the Riadys and their employees contributed so much money in the late days of the 1992 campaign; why the Riadys helped John Huang move to the DNC in the 1996 elections; and, what the Riadys wanted in return.

Unfortunately, an unprecedented number of individuals have invoked their Fifth Amendment right against self-incrimination or fled the country in the face of questions posed by representatives of the American public. Only pieces are left to be patched together to form some sort of story. Investigators must draw inferences from the information they are able to gather, because there are few people with whom to talk.

The Committee knows that the Riadys contributed close to a million dollars towards Clinton's election in 1992. The family then had access to the President, his staff, and high level department and agency officials. The Riadys concerns were heard. Although administration policies such as MFN, sibling preference in immigration, and access to Vietnam were changed, questions still remain about what impact contributions may have had on the shift.

The Committee also knows that the Riadys were active in the 1996 election. The Lippo Group's former executive John Huang became a DNC fundraiser, with the assistance of James Riady. Over half of the money raised by John Huang was returned by the DNC because it was either illegal or inappropriate. Even more of the 1996 DNC contributions are illegal, inappropriate or suspect. Through examining bank records, the Committee has determined that even more money should be returned. Both Huang and the Riadys had ties to many of the individuals involved in the fundraising scandal. However, because the illegalities were discovered, nobody will know what might have occurred after the 1996 elections.